

ENTERPRISE FUNDS

ENTERPRISE FUNDS are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the City Council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the City Council has decided that periodic determination of net income is appropriate for accountability purposes.

WATER AND SEWER UTILITY — This fund is used to account for the activities of the Water and Sewer Utility.

SOLID WASTE SERVICES — This fund is used to account for the City's sanitation operations.

STORMWATER UTILITY — This fund is used to account for improvements to the City's stormwater systems and pollution from stormwater runoff.

CITY OF NORTH MIAMI, FLORIDA

SCHEDULE E-1

ENTERPRISE FUNDS
COMBINING BALANCE SHEETSEPTEMBER 30, 2001
(WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2000)

<u>ASSETS</u>	<u>Water and Sewer Utility</u>	<u>Solid Waste Services</u>	<u>Stormwater Utility</u>	<u>Totals</u> <u>2001</u>	<u>2000</u>
Current assets:					
Cash and short-term investments	\$ 2,830,490	\$ 259,185	\$ 304,211	\$ 3,393,886	\$ 2,712,023
Certificates of deposit	1,000,000	-	-	1,000,000	1,900,000
Receivables:					
Customer accounts, net	1,458,117	279,699	69,859	1,807,675	2,245,371
Customer unbilled accounts	1,982,109	254,752	28,291	2,265,152	2,530,301
Accrued interest and dividends	1,937	-	-	1,937	5,580
Intergovernmental	2,849	21,793	186,570	211,212	288,448
Miscellaneous	288,068	14,113	39	302,220	331,006
Inventories and supplies	100,498	-	-	100,498	94,969
Total current assets	<u>7,664,068</u>	<u>829,542</u>	<u>588,970</u>	<u>9,082,580</u>	<u>10,107,698</u>
Non-current assets:					
Net investment in sales - type lease	<u>1,103,023</u>	<u>-</u>	<u>-</u>	<u>1,103,023</u>	<u>1,264,136</u>
Total non-current assets	<u>1,103,023</u>	<u>-</u>	<u>-</u>	<u>1,103,023</u>	<u>1,264,136</u>
Restricted assets:					
Performance bonds and refundable deposits	316,768	-	-	316,768	308,565
Retirement and sinking funds (cash, investments and accrued interest receivable):					
1963 issue - revenue refunding and improvement bond	679,529	-	-	679,529	691,093
1964 issue - revenue refunding and improvement bond	1,819,400	-	-	1,819,400	1,581,234
1965 issue - revenue refunding and improvement bond	1,873,880	-	-	1,873,880	1,832,494
Renewal and replacement fund	<u>476,828</u>	<u>-</u>	<u>-</u>	<u>476,828</u>	<u>179,710</u>
Total restricted assets	<u>5,166,405</u>	<u>-</u>	<u>-</u>	<u>5,166,405</u>	<u>4,593,096</u>
Fixed assets:					
Land	521,847	-	179,585	701,432	521,847
Buildings	2,967,389	-	-	2,967,389	2,939,047
Accumulated depreciation - buildings	(1,621,976)	-	-	(1,621,976)	(1,555,367)
Improvement other than buildings	37,150,775	-	401,249	37,552,024	37,018,333
Accumulated depreciation - improvements	(16,356,425)	-	(26,866)	(16,383,291)	(15,495,843)
Equipment	4,107,317	73,899	79,654	4,260,870	3,915,703
Accumulated depreciation - equipment	<u>(1,739,045)</u>	<u>(46,498)</u>	<u>(35,332)</u>	<u>(1,820,875)</u>	<u>(1,616,288)</u>
Total fixed assets	<u>25,029,882</u>	<u>27,401</u>	<u>598,290</u>	<u>25,655,573</u>	<u>25,727,432</u>
Total assets	<u>\$38,963,378</u>	<u>\$ 856,943</u>	<u>\$1,187,260</u>	<u>\$41,007,581</u>	<u>\$41,692,362</u>

(Continued)

CITY OF NORTH MIAMI, FLORIDA

SCHEDULE E-1

(Continued)

ENTERPRISE FUNDS
COMBINING BALANCE SHEETSEPTEMBER 30, 2001
(WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2000)

<u>LIABILITIES AND FUND EQUITY</u>	Water and	Solid	Stormwater	<u>Totals</u>	
	<u>Sewer</u> <u>Utility</u>	<u>Waste</u> <u>Services</u>	<u>Utility</u>	<u>2001</u>	<u>2000</u>
Current liabilities:					
Accounts payable	\$ 758,804	\$ 175	\$ 402	\$ 759,381	\$ 969,143
Accrued liabilities, principally salaries	22,058	15,458	3,596	41,112	42,020
Accrued payroll deductions	20,053	15,761	2,849	38,663	39,055
Customer deposits	1,700,937	-	-	1,700,937	1,668,900
Due to other funds	69,443	531,569	4,742	605,754	496,546
Due to other governmental units	1,181,480	-	-	1,181,480	1,358,210
Total current liabilities	<u>3,752,775</u>	<u>562,963</u>	<u>11,589</u>	<u>4,327,327</u>	<u>4,573,874</u>
Payable from restricted assets:					
Performance bonds and refundable deposits	316,768	-	-	316,768	308,565
Other payables	10,329	-	-	10,329	179,710
Debt service:					
Accrued bond interest	35,911	-	-	35,911	38,858
Revenue refunding and improvement bonds:					
1963 issue	380,000	-	-	380,000	365,000
1965 issue	70,000	-	-	70,000	65,000
Matured bonds and interest payable	17,605	-	-	17,605	43,910
Total payable from restricted assets	<u>830,613</u>	<u>-</u>	<u>-</u>	<u>830,613</u>	<u>1,001,043</u>
Non-current liabilities:					
Compensated absences	613,089	523,487	72,353	1,208,929	1,203,114
Interfund payable	295,585	181,823	18,965	496,373	216,893
Advances from other funds	-	128,500	-	128,500	-
Revenue bonds payable	4,890,488	-	-	4,890,488	5,334,346
Total non-current liabilities	<u>5,799,162</u>	<u>833,810</u>	<u>91,318</u>	<u>6,724,290</u>	<u>6,754,353</u>
Total liabilities	<u>10,382,550</u>	<u>1,396,773</u>	<u>102,907</u>	<u>11,882,230</u>	<u>12,329,270</u>
Fund equity:					
Contributed capital	<u>8,578,076</u>	<u>316,237</u>	<u>-</u>	<u>8,894,313</u>	<u>9,161,667</u>
Retained earnings:					
Reserved for retirement and sinking funds:					
1963 revenue refunding and improvement bond	283,738	-	-	283,738	288,738
1964 revenue refunding and improvement bond	1,804,950	-	-	1,804,950	1,568,284
1965 revenue refunding and improvement bond	1,780,605	-	-	1,780,605	1,735,031
Reserved for renewal and replacement	466,499	-	-	466,499	-
Total reserved retained earnings	<u>4,335,792</u>	<u>-</u>	<u>-</u>	<u>4,335,792</u>	<u>3,592,053</u>
Unreserved (deficit)	<u>15,666,960</u>	<u>(856,067)</u>	<u>1,084,353</u>	<u>15,895,246</u>	<u>16,609,372</u>
Total equity (deficiency)	<u>28,580,828</u>	<u>(539,830)</u>	<u>1,084,353</u>	<u>29,125,351</u>	<u>29,363,092</u>
Total liabilities and fund equity	<u>\$38,963,378</u>	<u>\$ 856,943</u>	<u>\$ 1,187,260</u>	<u>\$41,007,581</u>	<u>\$ 41,692,362</u>

CITY OF NORTH MIAMI, FLORIDA

SCHEDULE E-2

ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

FISCAL YEAR ENDED SEPTEMBER 30, 2001

(WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED SEPTEMBER 30, 2000)

	Water and Sewer Utility	Solid Waste Services	Stormwater Utility	<u>Totals</u> 2001	 2000
Operating revenues:					
Metered water sales	\$ 5,257,973	\$ -	\$ -	\$ 5,257,973	\$ 5,543,796
Sanitary sewer services	1,457,927	-	-	1,457,927	1,490,637
Sewage treatment charges	7,580,406	-	-	7,580,406	7,947,403
Solid waste services	-	4,455,651	-	4,455,651	4,674,009
Stormwater charges	-	-	890,762	890,762	878,531
Other charges for services	1,288,246	-	-	1,288,246	1,530,719
Total operating revenues	<u>15,584,552</u>	<u>4,455,651</u>	<u>890,762</u>	<u>20,930,965</u>	<u>22,065,095</u>
Operating expenses:					
Personal services	2,475,492	2,002,868	395,898	4,874,258	4,869,739
Sewage disposal and water charges	8,099,893	-	-	8,099,893	8,432,154
Solid waste disposal fees	-	1,328,859	-	1,328,859	1,283,760
Materials, supplies, services and other operating expenses	4,341,273	1,631,792	745,819	6,718,884	5,846,354
Depreciation	1,134,425	1,307	22,912	1,158,644	1,052,031
Total operating expenses	<u>16,051,083</u>	<u>4,964,826</u>	<u>1,164,629</u>	<u>22,180,538</u>	<u>21,484,038</u>
Operating income (loss)	<u>(466,531)</u>	<u>(509,175)</u>	<u>(273,867)</u>	<u>(1,249,573)</u>	<u>581,057</u>
Non-operating revenues (expenses):					
Interest income	479,531	-	27,347	506,878	595,135
Operating grants	171,866	88,731	192,620	453,217	296,087
Interest expense and fiscal charges	(228,060)	-	-	(228,060)	(245,448)
Bond discount	(6,142)	-	-	(6,142)	(6,142)
Miscellaneous	101,371	3,400	249	105,020	152,120
Net non-operating revenues	<u>518,566</u>	<u>92,131</u>	<u>220,216</u>	<u>830,913</u>	<u>791,752</u>
Net income (loss) before contributions and transfers	52,035	(417,044)	(53,651)	(418,660)	1,372,809
Capital contributions	<u>138,092</u>	<u>-</u>	<u>-</u>	<u>138,092</u>	<u>-</u>
Operating transfers in	-	275,107	-	275,107	142,977
Operating transfers out	<u>(120,441)</u>	<u>(94,633)</u>	<u>(17,206)</u>	<u>(232,280)</u>	<u>(226,805)</u>
Net income (loss)	69,686	(236,570)	(70,857)	(237,741)	1,288,981
Add depreciation on contributed capital	<u>267,354</u>	<u>-</u>	<u>-</u>	<u>267,354</u>	<u>263,592</u>
Increase (decrease) in retained earnings	337,040	(236,570)	(70,857)	29,613	1,552,573
Retained earnings (deficit), beginning	19,665,712	(619,497)	1,155,210	20,201,425	18,766,523
Equity transfer out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(117,671)</u>
Retained earnings (deficit), ending	<u>\$20,002,752</u>	<u>\$ (856,067)</u>	<u>\$ 1,084,353</u>	<u>\$20,231,038</u>	<u>\$20,201,425</u>

CITY OF NORTH MIAMI, FLORIDA

SCHEDULE E-3

ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

FISCAL YEAR ENDED SEPTEMBER 30, 2001

	Water and Sewer Utility	Solid Waste Services	Stormwater Utility	Totals
Cash flows from operating activities:				
Cash received from customers, including cash deposits	#####	#####	\$ 906,889	\$21,813,067
Payments to other funds for quasi-external operating transactions	(3,391,345)	(1,403,798)	(533,940)	(5,329,083)
Cash paid to suppliers	(8,934,342)	(1,434,324)	(284,196)	(10,652,862)
Cash paid to employees	<u>(2,536,729)</u>	<u>(1,947,188)</u>	<u>(385,827)</u>	<u>(4,869,744)</u>
Net cash provided (used) by operating activities	<u>1,518,045</u>	<u>(259,593)</u>	<u>(297,074)</u>	<u>961,378</u>
Cash flows from non-capital financing activities:				
Advances from other funds	-	128,500	-	128,500
Due to other government units	(176,730)	-	-	(176,730)
Operating transfers to/from other funds	(120,441)	180,474	(17,206)	42,827
Grant proceeds	<u>339,655</u>	<u>178,250</u>	<u>10,132</u>	<u>528,037</u>
Net cash provided (used) by non-capital financing activities	<u>42,484</u>	<u>487,224</u>	<u>(7,074)</u>	<u>522,634</u>
Cash flows from capital and related financing activities:				
Capital contributions - customers	98,216	-	-	98,216
Purchase of fixed assets	(945,821)	(24,760)	(245,708)	(1,216,289)
Principal payments - bonds	(430,000)	-	-	(430,000)
Principal payments received - capital leases	238,584	-	-	238,584
Interest paid	<u>(254,365)</u>	<u>-</u>	<u>-</u>	<u>(254,365)</u>
Net cash used by capital and related financing activities	<u>(1,293,386)</u>	<u>(24,760)</u>	<u>(245,708)</u>	<u>(1,563,854)</u>
Cash flow from investing activities:				
Proceeds from sale of investments	3,623,344	-	500,000	4,123,344
Purchase of investments	(1,795,815)	-	-	(1,795,815)
Interest received	<u>414,805</u>	<u>-</u>	<u>28,262</u>	<u>443,067</u>
Net cash provided by investing activities	<u>2,242,334</u>	<u>-</u>	<u>528,262</u>	<u>2,770,596</u>
Net increase (decrease) in cash and cash equivalents	2,509,477	202,871	(21,594)	2,690,754
Cash and short-term investments, beginning (including water and sewer restricted cash of \$1,317,404)	<u>3,647,307</u>	<u>56,314</u>	<u>325,805</u>	<u>4,029,426</u>
Cash and short-term investments, ending (including water and sewer restricted cash of \$3,326,293)	<u>\$ 6,156,784</u>	<u>\$ 259,185</u>	<u>\$ 304,211</u>	<u>\$ 6,720,180</u>

(Continued)

CITY OF NORTH MIAMI, FLORIDA

SCHEDULE E-3
(Continued)

ENTERPRISE FUNDS COMBINING STATEMENT OF CASH FLOWS FISCAL YEAR ENDED SEPTEMBER 30, 2001

	Water and Sewer Utility	Solid Waste Services	Stormwater Utility	Totals
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating loss	<u>\$ (466,531)</u>	<u>\$(509,175)</u>	<u>\$ (273,867)</u>	<u>\$(1,249,573)</u>
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation	1,134,425	1,307	22,912	1,158,644
Other income	98,425	3,400	249	102,074
Changes in operating assets and liabilities:				
(Increase) decrease in:				
Customer accounts receivable	366,154	57,087	14,454	437,695
Customer unbilled accounts receivable	247,892	15,832	1,425	265,149
Miscellaneous receivables	35,531	(6,254)	(39)	29,238
Inventories	(5,529)	-	-	(5,529)
Increase (decrease) in:				
Accounts payable	(111,670)	(2,107)	(95,985)	(209,762)
Compensated absences	(63,739)	59,797	9,757	5,815
Interfund payables	240,344	124,637	23,706	388,687
Accrued liabilities	1,766	(2,684)	10	(908)
Accrued payroll deductions	737	(1,433)	304	(392)
Customer deposits	<u>40,240</u>	<u>-</u>	<u>-</u>	<u>40,240</u>
Total adjustments	<u>1,984,576</u>	<u>249,582</u>	<u>(23,207)</u>	<u>2,210,951</u>
Net cash provided (used) by operating activities	<u>\$1,518,045</u>	<u>\$(259,593)</u>	<u>\$ (297,074)</u>	<u>\$ 961,378</u>

Non-cash transactions:

During 2001, the Water and Sewer Utility Fund received contributed assets from developers valued at \$39,876.

Note: All short-term investments are reported at cost, which approximates fair value, therefore, there is no change in the fair value of investments.